



# NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

## EMPLOYMENT TRENDS

The Bonneville Labor Market Area (LMA) in Table 1 shows an increase of over 3,000 people in the *Civilian Labor Force* from the year 2000 to 2001. Population growth, resulting more from natural age progression of the residents than from in-migration, along with more residents entering the labor force, contributed to the increase. The data shows that the projected number of unemployed workforce decreased by 60 and total employment increased 3,159.

The unemployment rate decreased by two-tenths of a percentage point to 3.6 percent year-over-year. Tighter labor markets during 2001 resulted from more jobs, steady employment, and fewer seasonal swings that can cause ripple effects throughout the economy. Eight months out of the year, the Bonneville LMA held the lowest unemployment rate of all other LMA's and Metropolitan Statistical Areas (MSA) in the state. The yearly decrease in the unemployment rate resulted from the contribution of many variables:

- Call centers received more contracts which allowed for more positions and company expansions,
- Some INEEL subcontractors hired instead of laid off employees,
- More concentrated awareness on economic development was apparent in all counties,
- Grant and loan money was available and communities were made aware of it,
- Lower interest rates helped companies to grow and consumers to buy,
- A strong economy was apparent in the first half of the year, and
- Early retirements and incentives offered by the INEEL helped soften the blow of layoffs.

Northeast Idaho Table 1: Labor Force & Employment

Bonneville, Bingham, Butte, & Jefferson Counties	Projected 2001	2000	% Change From Last Year
INDIVIDUALS BY PLACE OF RESIDENCE			
Civilian Labor Force	83,351	80,252	3.9
Unemployed	2,965	3,025	-2.0
% of Labor Force Unemployed	3.6	3.8	
Total Employment	80,386	77,227	4.1
JOBS BY PLACE OF WORK			
<b>Nonfarm Payroll Jobs**</b>	63,580	61,810	2.9
<b>Goods-Producing Industries</b>	9,570	9,310	2.8
Mining & Construction	4,350	4,030	7.9
Manufacturing	5,220	5,280	-1.1
Food Processing	2,760	2,820	-2.1
Industrial & Commercial Mach. & Comp. Equip.	460	590	-22.0
All Other Manufacturing	2,000	1,870	7.0
<b>Service-Producing Industries</b>	54,000	52,500	2.9
Transportation & Comm., & Utilities	2,350	2,350	0.0
Wholesale Trade	5,980	6,080	-1.6
Retail Trade	11,380	11,430	-0.4
Finance, Insurance & Real Estate	1,900	1,800	5.6
Services	21,620	20,780	4.0
Government Administration	5,590	4,880	14.5
Government Education	5,180	5,180	0.0

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

*Nonfarm Payroll Jobs* increased more than 1,700 year-over-year. The main increase was noticed in *Service-Producing Industries*, which added 1,500 jobs. *Services* added 840 jobs, most in the *Business Services* sector. Other sectors that showed growth were *Health Services*, *Social Services*, and *Hotels & Other Lodging*. *Government Administration* grew by over 700 jobs. One significant change in this industry during the year was the reclassification of the Indian tribal administration, which changed from the private to the governmental sector. Since Bingham County includes the Fort Hall Reservation, those numbers are reflected here.

*Construction* also increased by 320 jobs as residential construction has been very noticeable in the counties. Most of this construction is taking place in Bonneville County, but Jefferson County is seeing more growth with the announcement of BYU-Idaho (formerly Ricks College) in Rexburg and advertisement of an up-scale subdivision selling lots and homes around Rigby Lake. Commercial construction has kept a steady pace, but 2002 promises to bring more activity. Although most of the construction for BNFL Idaho—the Advanced Mixed Waste Treatment Project in Butte County at the Idaho National Engineering and Environmental Laboratory (INEEL)—has already taken place, finishing touches will continue through

2002. McNeil Development will construct two professional office buildings and a convenience store/fast food/retail building this year as part of a new commercial real estate development—Taylor Crossing on the River—in Idaho Falls. Anheuser-Busch will be doubling the size of its malt plant on Jameston Road. The latest announcement is that Grupo Modelo, the Mexican brewing company that makes Corona Extra, will also build a malt plant on Jameston Road behind Anheuser-Busch. (See **FUTURE DEVELOPMENTS** on page 33 for more information on these.)

Decreases in *Nonfarm Payroll Jobs* year-over-year consisted of the following:

- 60 (net loss) in *Manufacturing as Industrial & Commercial Machinery & Computer Equipment* lost 130 jobs, *Food Processing* lost 60 jobs, and *All Other Manufacturing* gained 130 jobs. One contributor to the decrease in *Industrial and Commercial Machinery* was a hard agricultural season due to water and power shortages.
- 100 in *Wholesale Trade with Durable Goods* losing the majority of the jobs as a ripple effect from the *Manufacturing* industry loss mentioned above.
- 50 in *Retail Trade* as several smaller restaurants and retail stores closed and many existing stores thinned out their workforce over the year and used existing workforce instead of hiring seasonal workers during the holidays.

## 2001 HIGHLIGHTS

The first half of the year saw a strong and confident economy. As talks of layoffs at the INEEL became a reality, water shortages for farmers became more visible, and the national economy showed signs of a recession, the local economy slowed down and the mood became cautious and unsure of the future. However, despite concerns, the counties have concentrated on furthering their economic development, and efforts have been successful in the LMA and Northeast Idaho counties.

Early in 2001, the Greater Idaho Falls Chamber of Commerce named Michael Kuhns as their new chief executive officer. Eastern Idaho Economic Development Council (EIEDC) named Jim Bowman as the chief executive officer. Both men are devoted to the communities they serve and are visible and involved in new developments.

With a kick-off from EIEDC's annual meeting in the middle of 2001, a technology corridor is being developed and marketed under the cooperation of economic development groups, civic and community leaders and agencies, and the INEEL's economic development director. The corridor spans from Pocatello to Rexburg. Seven committees are addressing all aspects of points to consider for attracting and maintaining/growing businesses

in the high-tech arena and the companies that support them.

Call centers have grown in Northeast Idaho. An available labor force with good work ethics and viable skills, including bilingual capabilities, have been key contributors for the interest and success of these companies. Expansion into rural communities has also become more noticeable over the year. Updated phone and computer lines, and the associated communications capabilities, are the biggest elements in determining where expansion can take place. Center Partners started the year with a new, second building, Qwest added employees and filled their building to capacity, TSI moved locations to accommodate its workforce, Melaleuca opened a call center in Rexburg, ML Technologies opened a call center in St. Anthony, and Western Wats substantially expanded its workforce and added space in Rexburg.

Health facilities grew as need and desire became apparent. Eastern Idaho Regional Medical Center in Idaho Falls expanded its emergency room to 30 beds and added its own scan and X-ray machines, a central monitoring system, and a pneumatic tube system to transport lab orders, samples and prescriptions. Madison Memorial Hospital in Rexburg added a permanent magnetic resonance imaging (MRI) machine since they had been operating with a mobile unit twice a week. Several care centers opened in Idaho Falls, and construction of a 17-bed hospital will help serve residents within a 250-mile radius of Idaho Falls when completed in the fall of 2002.

Downtown improvements were seen in many communities throughout the area as grants and loans became available and match money was secured. Revitalization continues to occur in many older downtown areas. Some existing shops are moving while other companies are finding existing infrastructures that will accommodate their needs and are moving in. Several museums expanded and became more modernized during the year. Needed water and sewer updates were implemented to help improve several communities.

Economic development strategists were hired to work in four counties as part of a grant award. These strategists work closely with local leaders and businesses and to help market their areas to those entities wishing to expand or create businesses. Their work helps to boost the morale of communities, keeping towns alive and adapting to needs of the residents and the economy.

The INEEL helped many businesses grow, expand, and train their workforces in 2001. Bechtel BWXT Idaho announced that it exceeded its goal of helping to generate 2,400 jobs and accomplished it three years earlier than expected. Due to budgetary allocations, the INEEL was expected to lay off 1,200 employees by the end of

the year. However, approximately 750 employees were affected with early retirements, voluntary separations, and involuntary separations by the end of 2001. An additional 200 to 400 are still expected in the summer of 2002 unless allocations change in INEEL's favor. Several sub-contractors were still able to hire during this time, which helped some that were affected in layoffs. BNFL Idaho is still in the process of hiring and expects to have over 200 hired throughout the year 2002. Over the year, the INEEL has seen many of its developments and creations go public, and several companies now have contracts with them that offer great potential. In August, Bernie Meyers retired as general manager of Bechtel BWXT Idaho (the INEEL's prime contractor), and Bill Shipp was named to take his place.

Several smaller retail shops and restaurants have entered the surrounding markets and others have closed. Overall, the growth is positive and steady. New developments have promised to bring momentum to this growth (see **FUTURE DEVELOPMENTS** below for more information).

#### **FUTURE DEVELOPMENTS**

- Taylor Crossing on the River, a 45-acre professional business park on the Snake River in Idaho Falls, has been showing signs of activity during 2001. Dynamite blasts could be felt throughout the city as rock was cleared away for utilities and roadwork to be completed. In 2002, two of the business park's buildings will be constructed along with a convenience/fast food/retail shop. The campus-theme atmosphere will include high-tech capabilities, professional companies, restaurants, and condos along with retail shops. The development will be an extension of the city's river greenbelt and will feature professional landscaping interspersed with waterways.
- Ttest, the biotech manufacturing company that manufactures saliva test strips to test blood alcohol levels, is still planning to build in the area, but the weakened economy has somewhat affected its market. It plans to build on acreage that Rexburg donated to the business park as incentive to locate there. The company will hire 300 to 500 people over five years. It is currently operating out of rented space in Idaho Falls and in California where it originated.
- Wal-Mart announced plans to build a supercenter in the Idaho Falls area, but the location has not yet been secured. The current Wal-Mart location on 17th Street will close and that property will become available.
- The Sacajawea Interpretive, Cultural, and Education Center celebrated its introduction to the new 71-acre home on Highway 28 just east of Salmon city limits

in the fall of 2001. The center plans have been drawn up, and construction is expected to start soon. Funding issues are still being discussed for ongoing maintenance, but the center is expected to be a well-visited spot over the next several years with the publicizing of the Lewis and Clark Bicentennial.

- Anheuser-Busch will expand its malt plant, doubling its existing size, and Grupo Modelo will build its own malt plant just behind Anheuser-Busch in Idaho Falls. The opening of the Grupo Modelo brewery was a result of the Trade Mission to Mexico which included an Idaho delegation. Both projects will start in 2002; expected completion will be 2004 for Anheuser-Busch and 2005 for Grupo Modelo. The employee base, however, is not expected to be large due to the high level of automation used by the plants. The farmers will greatly benefit from these ventures as they will be able to secure contracts with these local companies for their barley. The tax base and expansion of utilities to service the companies also will help the community.
- Business parks and incubation centers are being developed throughout the nine-county region. With available locations and economic developers overseeing growth, there is expected to be much more in store for the LMA and the region in 2002 and beyond.

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